

FISCAL YEAR 2006

FOREIGN OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS APPROPRIATIONS BILL – H.R. 3057

Conference Report

SUMMARY

The conference report for foreign operations and related programs (H.R. 3057; H. Rept. 109-265) provides \$20.937 billion in new budget authority for fiscal year 2006, a level equal to revised suballocations recently adopted by the House Appropriations Committee. Consequently, the agreement complies with the provision of the Congressional Budget Act that prohibits consideration of a conference report that exceeds its suballocation.

The agreement, filed in the House on 2 November 2005, also complies with other provisions of the budget resolution,

such as those governing advance appropriations and emergency-designated appropriations, neither of which are provided in this legislation.

This is the fifth conference report for the fiscal year beginning 1 October 2005 to be filed. It reflects the House's reorganization of Appropriations subcommittees and, hence, excludes funds for the Department of State provided in the companion Senate measure (these funds will be provided in the Science, the Departments of State, Justice, and Commerce, and Related Agencies appropriations bill).

COST OF THE LEGISLATION

Although the agreement provides \$20.937 billion in new budget authority [BA] for fiscal year 2006, the related outlays exceed this amount, totaling \$25.213 billion. The excess occurs principally because cash payments are still being made against prior-year appropriations for Iraq reconstruction.

The level of BA in the measure – formally the conference agreement accompanying the Foreign Operations, Export Financing and Related Programs appropriations bill – is

\$1.268 billion (6.3 percent) above the prior year, while outlays are \$371 million below 2005 levels (see Table 1 below). Although the conference report is \$1.893 billion below the President's request in BA, it is only \$277 million below the request in outlays – partly due to the cash-flow effects described above.

The bill contains no rescissions of BA provided in prior years, nor does it make changes to mandatory programs. (Such changes would be reflected in the cost of the bill.)

Table 1: Foreign Operations, Export Financing and Related Programs^a
 (fiscal years; millions of dollars)

	2005 Spending	Administration 2006	302 (b) for 2006	Conference
Budget Authority	19,699	22,830	20,937	20,937
Outlays	25,584	25,490	25,080	25,213

^a Excludes emergency-designated appropriations.

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COMPLIANCE WITH THE BUDGET RESOLUTION

As noted, the conference agreement provides budget authority equal to the applicable level designated by the Committee on Appropriations – called the 302(b) suballocation – and does not violate the Congressional Budget Act. Outlays exceed the revised suballocation by \$133 million, but that does not give rise to a violation of the Budget Act.

The Appropriations Committee adopted revised 302(b) suballocations on 2 November 2005 (H. Rept. 109-264).

The new levels provide the Committee’s plan to complete action on 2006 appropriations measures while staying within the total discretionary spending level – the 302(a) allocation – set by the budget resolution (H.Con. Res. 95). The revised suballocations also reflect conference action for subcommittees that had reported prior to their adoption.

The Foreign Operations conference report is the first to be filed under these revised suballocations, which will be used for determining compliance of subsequent measures.

Table 2: Discretionary Spending in the Foreign Operations Appropriations Conference Report
(in millions of dollars)

	2005 Budget Authority ^a	2005 Outlays ^a	2006 Budget Authority	2006 Outlays	Difference BA	Difference Outlays
International Security Assistance	7,896	8,389	7,904	8,223	8	-166
Multilateral Assistance	1,663	2,340	1,705	1,762	42	-578
Agency for International Development . . .	5,065	5,261	5,133	5,274	68	13
Millennium Challenge	1,488	405	1,770	1,112	282	707
Other International Programs	269	260	237	276	-32	16
Department of State Programs	3,219	2,457	4,044	3,210	825	753
Export-Import Bank and Other	99	422	139	326	40	-96
Executive Office of the President	–	6,050	5	5,030	5	-1,020
Total	19,699	25,584	20,937	25,213	1,238	-371
^a Excludes emergency-designated appropriations.						

DISCUSSION

Although the conference report’s \$1.238-billion increase in BA provides a substantial rise from the 2005 enacted level (see Table 2 above), it is \$1.893 billion below the administration request. Nevertheless, for most foreign operations and export financing accounts funded through this conference report, levels are broadly consistent with the administration request. Much of the decrease from the request occurs in a few accounts where the President’s budget has requested substantial increases.

The conference report provides \$1.23 billion less than requested for the Millennium Challenge Corporation and \$314 million less in Economic Support Funds. In addition, the conference report recommends \$61 million for Iraq – a reduction of \$398 million relative to the request – because large amounts of funds previously appropriated for Iraq relief and reconstruction remain unobligated. H.R. 3057 also

provides \$80 million for the World Bank’s Global Environment Facility [GEF] – a \$27-million reduction from 2005 – in recognition that the GEF adopted a performance-based allocation system. The House-passed measure did not include funding for the GEF because the Bank had not yet adopted such an allocation system.

Other items of interest include the following:

- *HIV/AIDS, TB, and Malaria, \$2.820 billion:* The conference report provides a record level of funding to combat HIV/AIDS, tuberculosis, and malaria. This is \$268 million more than requested by the President, and \$629 million more than in fiscal year 2005. Of the amount, \$2.426 billion is provided for HIV/AIDS programs, \$243 million for malaria programs, and \$151 million for tuberculosis programs.

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- *Israel, \$2.52 billion:* The conference report fully funds the President's \$2.28 billion request for Foreign Military Financing [FMF] for Israel, a \$78-million increase over 2005. It also fully funds the President's \$240-million request for economic assistance to Israel, a \$120 million reduction compared with 2005. The level is consistent with the U.S.-Israeli agreement for a phased reduction in Economic Support Fund assistance.
 - *Egypt, \$1.795 billion:* The conference report fully funds the President's \$1.3-billion request for FMF for Egypt, the same as fiscal year 2005. It also fully funds the President's \$495-million request for economic assistance to Egypt, \$40 million more than 2005.
 - *Afghanistan, \$430 million:* The conference report fully funds the President's \$430 million request for economic assistance for Afghanistan, a \$107-million increase over 2005, excluding supplementals.
 - *Jordan, \$460 million:* The conference report fully funds the President's \$210 million request for FMF for Jordan. It also fully funds the President's request for \$250 million for economic assistance to Jordan.

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